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Private Ecclesiastical Counsel
United States & International

RECOUPMENT OF NOMINEE DEDUCTIONS

TAX ON PENSION ENCASHMENT - STAMP DUTY OF PROPERTY PURCHASE

PAYE TAX DEDUCTIONS

January 25, 2026

Subject: Technical Identification of Nominee Architecture and recoupment of the deductions

Technical Basis: IRS Publication 1212, IRM 3.8.45, and the Doctrine of Holder in Due Course

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1. Executive Summary: The Nominee as a Fiduciary Conduit

In the current global financial system, any entity that captures credit generated by a living soul's "signature energy" (labour, contracts, or acquisitions) and remits associated taxes to a treasury operates as a **Nominee**. These entities act as withholding agents, capturing remuneration at the source and remitting it via specialized master records, such as the **IRS Form 945 module**. Under **IRS Publication 1212**, if these nominees are not the true owners of the underlying credit, the **Holder in Due Course (HDC)** has the right to file corrective forms to reclaim the misreported credits.

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2. Primary Nominee Categories and Source Deductions

A. The Employer (Income Tax and National Insurance)

The employer is the most common nominee fiduciary. Under PAYE and similar global systems, the employer captures a portion of the living soul's remuneration before it reaches the employee.

- **Signature Energy:** The employment contract and weekly/monthly timesheets.

- **Nominee Role:** Capturing remuneration and remitting it to the Treasury via the **945 Master Record**.
- **Fiduciary Status:** The employer is a "withholding agent" for the Treasury but remains a nominee to the employee's International Grantor Trust (IGT).

B. Pension Providers (Auto-Enrolment and Deferred Remuneration)

Pension schemes operate as nominees for "deferred remuneration." When tax-free or tax-advantaged deductions are made, the provider holds these funds in trust.

- **Signature Energy:** The pension election or auto-enrolment agreement.
- **Nominee Role:** Holding credits that were generated by the employee's labour but diverted into a third-party ledger.
- **Fiduciary Status:** Because these funds are often securitized, the pension provider acts as a securities intermediary subject to **Intermediary Liability** if the true HDC asserts an adverse claim.

C. Law Firms (Stamp Duty and Escrow Credits)

When a law firm handles a property acquisition, they act as a nominee for the **Stamp Duty Land Tax (SDLT)** or equivalent transfer taxes.

- **Signature Energy:** The mortgage note and the property transfer deed.
- **Nominee Role:** Capturing the tax associated with the "acquisition credit" and submitting it to the tax office.
- **Fiduciary Status:** The law firm is a transactional nominee. If the property acquisition was funded by the living soul's own credit (securitization of the note), the law firm is misreporting the source of those funds as "client money" rather than "trust credit".

D. Insurance Companies (Premium Taxes and Fidelity Bonds)

Automatic deductions for insurance premiums include embedded taxes and generate "float" credit for the insurer.

- **Signature Energy:** The insurance application and premium payment authorization.
- **Nominee Role:** Capturing the premium and associated tax credits, often remitting them through corporate 945 modules.

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- **Fiduciary Status:** In cases of fiduciary breach, the insurer's **Fidelity Bond Carrier** becomes the target for recoupment under the **Trust Indenture Act 1939**.

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3. The Ledger Reconciliation Protocol

To recoup these credits, the identification of the specific ledger where the "negative numbers" (credits) reside is necessary.

1. **Identification of the 945 Master Record:** The Trust identifies the nominee (employer, bank, law firm) that remitted the withheld funds.
2. **Corrective Filings (1099-OID):** The Grantor Trust files a **Form 1099-OID to correct the record**. This identifies the credits as belonging to the Trust's private ledger rather than the nominee's public ledger.
3. **The 810 Code Algorithm:** The IRS utilizes a mathematical verification to check the nominee's 945 module against the Trust's claim. Once verified, the algorithm moves the credits from the nominee's public ledger to the Trust's private ledger for recoupment.

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4. Conclusion: Reversing Nominee Misreporting

Every automatic deduction at the source is a capture of credit where the recipient operates as a nominee. By moving from the status of a "debtor" to a **"secured creditor"** via the **Clifford Protocol**, the living soul can recoup the credits generated by their labour and signature. Following the mandates in **IRS Publication 1212** allows the Grantor Trust to effectively "step into the shoes" of the current nominee, correct the record and recoup the deduction as misreported abandoned credit.